

# **AUTO COLLISION REPAIR LICENSING ADVISORY BOARD**

**October 26, 2011**

**Members present: Dave Reynolds, Chairman, and Independent Collision Repair Member**

**Dave Doucet, RISP, Law Enforcement Member**

**Allan D. Olney, Insurance Industry Member**

**Gerald Galleshaw, Public Member**

**Louis D'Quattro, Jr.-DBR, Deputy Director & Executive Counsel**

**Members Absent: Dennis Gamba, Direct Repair Member**

**Dan Coleman, Glass Industry Member**

**Chris Hurd, New Car Dealer**

**Others Present: Elizabeth Dwyer, DBR**

**Jina Petrarca-Karampetsos, Providence Auto Body**

**Randy Bottella, Reliable Collision**

**Larry Allan, Nationwide**

**Joe Zannino, Progressive**

**William Burke, Progressive**

**Kimberly Precious, Implementation Aide**

**Evelyn B. Ferrara, Licensing Aide**

**Dave Reynolds: Called meeting to order at 10:40AM.**

**DR: Motion to pass minutes of September meeting. Seconded by**

**Gerry Galleshaw. All in favor.**

## **Auto Glass Regulation**

**DR: We need a glass representative on board. I found someone who is interested.**

**Asked LDQ if he was in contacted with the person.**

**Lou DeQuattro: I have seen the e-mail. I will call him.**

**DR: Glass Regulation. I have a file and it has a ton of information, I am sorting thru it, and will get an outline to everyone for a starting point.**

## **Paint Less Dent Repair**

**DR: Are we talking about the possibility of licensing the paint less dent repair ("PDR"), people so that we know exactly what they are doing? Is that the recommendation?**

**Randy Bottello: Dennis Gamba , had brought it up a couple of times. His concern is that the original role of PDR has evolved to far exceed what the original work scope was. During the hailstorms a while back, insurance companies had teams of people come in from other states to do the repairs. They did shoddy workmanship, and then left the state and there was nothing that could be done. For instance a**

customer, who ended up not being happy with the work from the PDR that did repairs after that storm, came to my shop, and we ended up having to cut the roof off and putting a new roof on the car.

DR: Did you find they actually drilled holes into roof support panels?

RB: Yes. What Dennis Gamba was getting at was there should be a license for that area of repair.

DR: We have to come up with guidelines.

RB: And accountability.

LDQ: Are they going beyond the PDR?

RB: It is still paint less. They haven't changed that, but it is not non-intrusive as before.

LDQ: Are they licensed in Massachusetts?

RB: I don't think they are licensed anywhere. There is no tracking system. The better ones are the ones who work thru franchises. Franchises usually have a physical location. But there are businesses popping up that have only a pick up truck and some tools and they are going around working on cars.

**Jina Petrarca-Karampetsos:** From a statutory perspective, the statute says, “anyone doing body work has to be licensed unless you are working on a family member’s car.” Even though it is paintless it is still bodywork. I think it would be a good idea to craft some type of special license.

**LDQ:** It sounds logical to have these people licensed if they are detrimental to the auto body business. The license says you have to do Motor Vehicle Body Work in the licensed location.

**JKP:** The statute says you must do auto body work in the licensed location except for auto glass and paintless dent repair. It actually assumes PDR is part of the statutory scheme.

**DR:** I have a quick question for the insurance people. Is there any kind of licensing requirement when you send a car for paintless dent repair?

**William Burke:** No, there is not. We come up with the usual customary figure of what it would cost to take dents out of the hood.

**DR:** Who is safeguarding the work that these companies do? Does the adjuster check on it?

**WB:** It is up to the shop to find particular vendors themselves. We

are finding a lot of shops are having a specialty guy.

DR: Now that you have heard the concern from the board as to what is going on out there, is this a concern to you?

WB: If it is compromising the integrity of the car, that is a concern.

DR: Do you have a problem with licensing these guys?

Allan Olney: A lot of the PDR's are working with Body shops. Are you body shop guys overseeing the repairs?

DR: We see cars with corrosion problems because of the rods the PDR uses cause rust spots. The PDR exposes the metal and it rots from the rain. If PDR's are licensed, there will be a complaint process.

RB: And they need to have an insurance policy to have a license, which is certainly better than the current system.

DR: Licensing is not going to cause them undo hardship. At least they will be accountable.

RB: It would also prevent an influx of unlicensed people coming into the state. I am sure we agree they do not need a fixed location. But we might want to put a restriction in reference to the type of work

they do.

**DR:** Why don't the members of the board and the people who came here today, put some ideas on paper and the next time we meet we will try to put something together.

**LDQ:** Excuses himself to attend another meeting previously scheduled.

## **Regulation 4**

**DR:** How did you make out with the regulation?

**BKD:** Once we get all the correspondence, we will go through them. I have an update on the insurance requirements for auto body shops. As reported at the last meeting, a commenter indicated that the \$600,000 CSL for satisfying the Insurance requirement was not available in the market. When I went back to speak to the insurance broker that we had consulted when drafting the regulation, he agreed that \$600,000 CSL is not available but that \$500,000 and \$1,000,000 are available.

**DR:** My suggestion would be to go to \$500,000. Most body shops carry more, but if we are setting minimum standards, then let's go with the minimum.

**BKD: This would have to be acceptable to Commercial Licensing. I wanted to ask a question on the mandatory appraisal statute. Was the intent to include non-passenger motor vehicles; commercial trucks, boats, motor homes, things that are done by specialty shops in the mandatory appraisals?**

**JKP: We do large trucks and commercial vehicles.**

**DR: We do RV's. You would have to have the accommodations for it.**

**BKD: Would the intent be that the mandatory appraisal would apply to those as well? The statute says "Motor Vehicles."**

**JKP: That was the intent of the statute.**

**BKD: You certainly cannot divide it by personal/commercial because there are private passenger vehicles included in commercial policies. We told the insurer that inquired that appraisals had to be done for all vehicles but I wanted to clarify in case there was an excludable category.**

**Regarding legislation on the Work Completed Form. I sent draft to the State Police, Jina, Nationwide, and Amica. I heard back from the State Police and Nationwide. Amica said they will get back to me.**

**JKP: I just had a question on the last section, Collision repair; where**

it says, the automobile repair shop shall upon reasonable request, send copy of invoices.... My concern is when and at what point and how often. My thoughts always go back to how can it be manipulated.

**BKD:** All we did was move that language from Title 27, Chapter 10.1. This is the current language in that statute and I did not want to re-write it. This is , however, an auto body requirement and we have heard the argument that it does not apply to insurers and is in the wrong chapter. This sentence by its wording, applies to an auto body shop so all I was doing was moving it to the chapter governing auto body shops.

**JKP:** OK. That makes more sense. Was this in the re-inspection section?

**BKD:** Yes. That first sentence the re-inspection I am leaving in 10.1. and also adding to Title 5.

**BKD:** We can put it wherever you think would be appropriate.

**JKP:** I just wanted to clarify where that was coming from.

**Larry Alan:** Are talking about changing the sub-title? If you were talking about changing the language in 10.1 we would have to change it there also.



**BKD:** We might want to add that to 10.1(b) as well. If you can get me the words you want added.

Usually Legislation must be filed the first of January. We have to have it to the Governors office in early December. So we should try to get everything ready.

**DR:** Thank you very much Beth. Are there any other comments on the PDR. The Board will come up with same minimum requirements on paper as to what the licensing situation should look like.

**LA:** Can I make a suggestion, just for consideration, and I want you to think about this, instead of licensing when this sort of special operation comes up, you can do something like an admitted status like surplus lines companies, not a license but an agreement.

**DR:** I think you missed the earlier conversation. There were some shoddy repairs done that left the consumers with no recourse.

**BKD:** For surplus lines we have a registration process.

**DR:** If a consumer is going to utilizing that company's service and has a problem down the line, he needs to know where/how to contact that company.

**RB:** They need to be covered insurance-wise.

**DR: PDR is basically a great process. It's the least invasive process to take small dings out. But it has to be done correctly because if it is not done correctly you can end up with serious consequences.**

**BKD: I think Jina is correct. I do not think there is any exemption for these people being licensed I just think there seems to be a misunderstanding. Is this addressed in the regulation?**

**RB: When Jeanne McCarthy was here and this was a very new industry, because they were not painting, they left it alone. As the years have gone on PDR has taken on a larger scope of work. We are now seeing problems come up where they are now disassembling the vehicles to get access to the areas where their work is going to be performed. In some cases, they are drilling through structural support beams to gain access. That really crosses the line to what it was meant to be to what it has become. We have seen instances where they have been drilling where they should not be. The bonding materials used from the factory were broken through and you wound up with panels that are now fluttering up against the support beams. The repair they were attempting to make is now worse, because they overstretched the metal, if we looked at it, we would have known it could not have been repaired in that manner. Now there is a bigger problem and the PDR has no license, and the consumer has no recourse.**

**DR: With them licensed, they have to put the license number on the van. And the communication is a little clearer. The consumer feels securer; if there is a problem they can call somebody up and complain about it. Any other questions? Motion to adjourn. GG seconded. All in favor. Meeting adjourned at 11:13 AM.**